

HOUSE BILL No. 1832

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-11-4-3.6; IC 6-6-1.1-801; IC 6-6-2.5-67; IC 8-14-1-2; IC 8-14-1-3.

Synopsis: Fuel tax funds disbursement. Eliminates the requirement that one-half of the money appropriated to the state police department must be paid from the motor vehicle highway account. Provides that counties, cities, and towns and the state highway fund shall receive the amounts previously appropriated to the state police department. Makes related changes.

Effective: July 1, 1999.

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January 26, 1999, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1832

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-11-4-3.6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3.6. As provided in
3 section 3 of this chapter, each of the following units of state
4 government and eligible federal projects shall bear the direct and
5 indirect costs of its own examination from the following designated
6 funds:
- 7 (1) Indiana department of transportation (except toll project costs
8 and expenses), bureau of motor vehicles (including branch
9 offices), motor fuel tax division, ~~state police department~~, and
10 traffic safety functions under IC 9-27-2 from the motor vehicle
11 account fund.
 - 12 (2) Indiana state teachers' retirement fund from the funds accruing
13 to that fund.
 - 14 (3) Alcoholic beverage commission from the funds accruing to
15 the alcoholic beverage enforcement and administration fund.
 - 16 (4) Indiana department of transportation, for the costs and
17 expenses related to a particular toll project, from any special fund

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established for revenues from that project.

(5) State fair commission from the state fair fund.

(6) State colleges and universities from state appropriations. However, colleges and universities shall not be charged at a rate higher than that charged to local taxing units under section 3 of this chapter.

(7) Eligible federal grants and projects from funds provided by the federal government or as are properly chargeable to the grant or project or recoverable through an indirect cost allocation recovery approved by the federal government.

SECTION 2. IC 6-6-1.1-801 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 801. Until a distributor pays the license tax on gasoline he receives, the tax money he collects on the sale of gasoline is state money. A distributor who collects such license tax money shall hold it in trust for the state and for payment to the department as provided in this chapter. In the case of a corporate or partnership distributor, every officer, employee, or member of the employer who in that capacity is under a duty to collect the tax, is personally liable for the tax, penalty, and interest. Taxes collected on gasoline, except those collected at a taxable marine facility, shall be used only for highway purposes and for payment of any part of the cost of ~~traffic policing and~~ traffic safety incurred by the state or any of its political subdivisions, as ~~may be~~ authorized by law.

SECTION 3. IC 6-6-2.5-67 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 67. The tax collected on the use of special fuel shall be used only for highway purposes and for payment of any part of the cost of ~~traffic policing and~~ traffic safety incurred by the state or any of its political subdivisions, as authorized by law.

SECTION 4. IC 8-14-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. It is hereby declared to be the policy of the state of Indiana that:

(1) the net amount in the motor vehicle highway account shall be budgeted for programs of traffic safety and for the construction, reconstruction, improvement, ~~and~~ maintenance ~~and~~ ~~policing~~ of the highways of the state;

(2) a fair distribution thereof shall be made between the department and subordinate political subdivisions having jurisdiction of highways of the state;

(3) the funds allotted shall be used in accordance with the policy herein declared and the provisions of this chapter; and

(4) the funds allocated to counties, cities, and towns from such

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motor vehicle highway account shall be budgeted as provided by law, and such county budgets shall be referred to the county ~~council~~ **fiscal body** for approval, revision, or reduction.

SECTION 5. IC 8-14-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) The money collected for the motor vehicle highway account fund and remaining after refunds and the payment of all expenses incurred in the collection thereof, and after the deduction of the amount appropriated to the department for traffic safety, ~~and after the deduction of one-half (1/2) of the amount appropriated for the state police department~~, shall be allocated to and distributed among the department and subdivisions designated as follows:

(1) Of the net amount in the motor vehicle highway account the auditor of state shall set aside for the cities and towns of the state fifteen percent (15%) thereof. This sum shall be allocated to the cities and towns upon the basis that the population of each city and town bears to the total population of all the cities and towns and shall be used for the construction or reconstruction and maintenance of streets and alleys and shall be annually budgeted as now provided by law. However, no part of such sum shall be used for any other purpose than for the purposes defined in this chapter. If any funds allocated to any city or town shall be used by any officer or officers of such city or town for any purpose or purposes other than for the purposes as defined in this chapter, such officer or officers shall be liable upon their official bonds to such city or town in such amount so used for other purposes than for the purposes as defined in this chapter, together with the costs of said action and reasonable attorney fees, recoverable in an action or suit instituted in the name of the state of Indiana on the relation of any taxpayer or taxpayers resident of such city or town. A monthly distribution thereof of funds accumulated during the preceding month shall be made by the auditor of state.

(2) Of the net amount in the motor vehicle highway account, the auditor of state shall set aside for the counties of the state thirty-two percent (32%) thereof. However, as to the allocation to cities and towns under subdivision (1), and as to the allocation to counties under this subdivision in the event that the amount in the motor vehicle highway account fund remaining after refunds and the payment of all expenses incurred in the collection thereof and after deduction of any amount appropriated by the general assembly for public safety ~~and policing~~ shall be less than twenty-two million six hundred and fifty thousand dollars

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1 (\$22,650,000), in any fiscal year then the amount so set aside in
 2 the next calendar year for distributions to counties shall be
 3 reduced fifty-four percent (54%) of such deficit and the amount
 4 so set aside for distribution in the next calendar year to cities and
 5 towns shall be reduced thirteen percent (13%) of such deficit.
 6 Such reduced distributions shall begin with the distribution
 7 January 1 of each year.

8 (3) The amount set aside for the counties of the state under ~~the~~
 9 ~~provisions of~~ subdivision (2) shall be allocated monthly upon the
 10 following basis:

11 (A) Five percent (5%) of the amount allocated to the counties
 12 to be divided equally among the ninety-two (92) counties.

13 (B) Sixty-five percent (65%) of the amount allocated to the
 14 counties to be divided on the basis of the ratio of the actual
 15 miles, now traveled and in use, of county roads in each county
 16 to the total mileage of county roads in the state, which shall be
 17 annually determined, accurately, by the department.

18 (C) Thirty percent (30%) of the amount allocated to the
 19 counties to be divided on the basis of the ratio of the motor
 20 vehicle registrations of each county to the total motor vehicle
 21 registration of the state.

22 All money so distributed to the several counties of the state shall
 23 constitute a special road fund for each of the respective counties
 24 and shall be under the exclusive supervision and direction of the
 25 board of county commissioners in the construction,
 26 reconstruction, maintenance, or repair of the county highways or
 27 bridges on such county highways within such county.

28 (4) Each month the remainder of the net amount in the motor
 29 vehicle highway account shall be credited to the state highway
 30 fund for the use of the department.

31 ~~(5)~~ (b) Money in the fund may not be used for any toll road or toll
 32 bridge project.

33 ~~(6)~~ (c) Notwithstanding any other provisions of this section, money
 34 in the motor vehicle highway account fund may be appropriated to the
 35 Indiana department of transportation from the forty-seven percent
 36 (47%) distributed to the political subdivisions of the state **under**
 37 **subsection (a)** to pay the costs incurred by the department in providing
 38 services to those subdivisions.

39 ~~(7)~~ (d) Notwithstanding any other provisions of this section or of
 40 IC 8-14-8, for the purpose of maintaining a sufficient working balance
 41 in accounts established primarily to facilitate the matching of federal
 42 and local money for highway projects, money may be appropriated to

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the Indiana department of transportation as follows:

~~(A)~~ (1) One-half (1/2) from the forty-seven percent (47%) set aside under subdivisions (1) and (2) for counties and for those cities and towns with a population greater than five thousand (5,000).

~~(B)~~ (2) One-half (1/2) from the distressed road fund under IC 8-14-8.

(e) Money in the motor vehicle highway account may not be allocated or used to pay the expenditures of the state police department.

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